

UNITED STATES BANKRUPTCY COURT
DISTRICT OF _____

In re Peter Matt & Co. Inc.
Debtor

Case No. 09-23634-rdd
Reporting Period: Feb-10

Federal Tax I.D. # 061335651

CORPORATE MONTHLY OPERATING REPORT

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

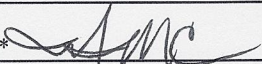
(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<u>MOR-1</u>	YES	BACKUP
Bank Reconciliation (or copies of debtor's bank reconciliations)	<u>MOR-1 (CONT)</u>	YES	BACKUP
Copies of bank statements		YES	BACKUP
Cash disbursements journals			
Statement of Operations	<u>MOR-2</u>	YES	BACKUP
Balance Sheet	<u>MOR-3</u>	YES	BACKUP
Status of Post-petition Taxes	<u>MOR-4</u>	YES	BACKUP
Copies of IRS Form 6123 or payment receipt			
Copies of tax returns filed during reporting period			
Summary of Unpaid Post-petition Debts	<u>MOR-4</u>	YES	BACKUP
Listing of Aged Accounts Payable			
Accounts Receivable Reconciliation and Aging	<u>MOR-5</u>	YES	BACKUP
Taxes Reconciliation and Aging	<u>MOR-5</u>	YES	BACKUP
Payments to Insiders and Professional	<u>MOR-6</u>		
Post Petition Status of Secured Notes, Leases Payable	<u>MOR-6</u>		
Debtor Questionnaire	<u>MOR-7</u>		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor _____

Date _____

Signature of Authorized Individual* 

Date 3/23/10

Printed Name of Authorized Individual NICHOLAS M. COSTA

Date 3/23/10

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Peter Matt & Co. Inc.

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS					Comments
	OPER	PAYROLL	TAX	OTHER	CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)	
CASH BEGINNING OF MONTH	129,615.61	-	-	-	129,615.61	
RECEIPTS						
CASH SALES	-				-	
ACCOUNTS RECEIVABLE - PREPETITION	-				-	
ACCOUNTS RECEIVABLE - POSTPETITION	670,786.89				670,786.89	Cannot split out pre / post represents total change post petition
LOANS AND ADVANCES	-				-	
SALE OF ASSETS	-				-	
OTHER (ATTACH LIST)	-				-	
TRANSFERS (FROM DIP ACCTS)	243,847.41			-	243,847.41	
TOTAL RECEIPTS	914,634.30	-	-	-	914,634.30	
DISBURSEMENTS						
NET PAYROLL		57,785.43			57,785.43	
PAYROLL TAXES		19,640.62			19,640.62	
SALES, USE, & OTHER TAXES	534,835.09				534,835.09	
INVENTORY PURCHASES	(26,173.09)				(26,173.09)	
SECURED/ RENTAL/ LEASES					-	
INSURANCE	7,142.24				7,142.24	
ADMINISTRATIVE	4,765.68				4,765.68	
SELLING	76,843.84				76,843.84	
OTHER (ATTACH LIST)	71,801.75				71,801.75	Warehousing, Shipping, FCC Int Exp
OWNER DRAW *					-	
TRANSFERS (TO DIP ACCTS)					-	
PROFESSIONAL FEES	9,480.29				9,480.29	
U.S. TRUSTEE QUARTERLY FEES	-				-	
COURT COSTS					-	
TOTAL DISBURSEMENTS	678,695.80	77,426.05	-	-	756,121.85	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	235,938.50	(77,426.05)	-	-	158,512.45	
CASH - END OF MONTH	365,554.11	(77,426.05)	-	-	288,128.06	

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	756,121.85
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	756,121.85

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BANK RECONCILIATIONS

Peter Matt & Co. Inc.
A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.
(Bank account numbers may be redacted to last four numbers.)

	Closed Operating Acct JPMC #258501691865	Closed Mon Mkt Acct JPMC #258501691866	Post Petition Operating Acct BOA #580692	Post Petition DIP Acct BOA #61024	Post Petition Payroll DIP Acct BOA #3755562065	Tax #
BALANCE PER BOOKS	-	-	(12.73)	1,043.04	3,967.29	
BANK BALANCE	-	-	Please see attached	Please see attached	Please see attached	
(+) DEPOSITS IN TRANSIT <i>(ATTACH LIST)</i>						
(-) OUTSTANDING CHECKS <i>(ATTACH LIST):</i>						
OTHER <i>(ATTACH EXPLANATION)</i>						
ADJUSTED BANK BALANCE *	-	-				-

*"Adjusted Bank Balance" must equal "Balance per Books"

DEPOSITS IN TRANSIT	Date	Amount	Date	Date	Amount	Date
CHECKS OUTSTANDING	Ck. #	Amount	Ck. #	Ck. #	Amount	Ck. #

OTHER

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Peter Matt & Co. Inc.

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	CURRENT MONTH	CUMULATIVE - FILING TO DATE
Gross Revenues		
Less: Returns and Allowances		
Net Revenue	390,591.80	3,403,193.89
COST OF GOODS SOLD		
Beginning Inventory		
Add: Purchases		
Add: Cost of Labor		
Add: Other Costs (<i>attach schedule</i>)		
Less: Ending Inventory		
Cost of Goods Sold	532,985.52	3,978,567.18
Gross Profit	(142,393.72)	(575,373.29)
OPERATING EXPENSES		
Advertising		
Auto and Truck Expense	39,156.69	369,927.21
Bad Debts		
Contributions		
Employee Benefits Programs		
Officer/Insider Compensation*	18,750.00	112,500.00
Insurance	7,142.24	36,844.31
Management Fees/Bonuses		
Office Expense	12,958.47	57,107.13
Pension & Profit-Sharing Plans		
Repairs and Maintenance		
Rent and Lease Expense	-	43,056.60
Salaries/Commissions/Fees	65,805.33	448,430.68
Supplies		
Taxes - Payroll	19,640.62	111,389.11
Taxes - Real Estate		
Taxes - Other	1,849.57	46,334.66
Travel and Entertainment	17,345.75	96,226.00
Utilities	720.94	3,529.89
Other (<i>attach schedule</i>)		
Total Operating Expenses Before Depreciation	183,369.61	1,325,345.59
Depreciation/Depletion/Amortization		
Net Profit (Loss) Before Other Income & Expenses	(325,763.33)	(1,900,718.88)
OTHER INCOME AND EXPENSES		
Other Income (<i>attach schedule</i>)		
Interest Expense	(32,645.06)	(183,407.18)
Other Expense (<i>attach schedule</i>)		
Net Profit (Loss) Before Reorganization Items	(358,408.39)	(2,084,126.06)

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REORGANIZATION ITEMS		
Professional Fees	57,731.31	435,709.00
U. S. Trustee Quarterly Fees	-	15,275.00
Interest Earned on Accumulated Cash from Chapter 11 (<i>see continuation sheet</i>)		
Gain (Loss) from Sale of Equipment	-	-
Other Reorganization Expenses (<i>attach schedule</i>)	-	-
Total Reorganization Expenses	57,731.31	450,984.00
Income Taxes	-	-
Net Profit (Loss)	(416,139.70)	(2,535,110.06)

*"Insider" is defined in 11 U.S.C. Section 101(31).

BREAKDOWN OF "OTHER" CATEGORY

OTHER COSTS

OTHER OPERATIONAL EXPENSES

OTHER INCOME

OTHER EXPENSES

OTHER REORGANIZATION EXPENSES

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
CURRENT ASSETS			
Unrestricted Cash and Equivalents			
Restricted Cash and Cash Equivalents (<i>see continuation sheet</i>)	4,997.60	(5,254.86)	(11,228.59)
Accounts Receivable (Net)	2,389,830.54	2,379,501.12	2,246,208.96
Notes Receivable			
Inventories	2,467,675.31	2,921,049.30	6,020,092.63
Prepaid Expenses			
Professional Retainers			
Other Current Assets (<i>attach schedule</i>)	8,477,268.95	8,524,500.17	8,085,772.13
TOTAL CURRENT ASSETS	13,339,772.40	13,819,795.73	16,340,845.13
PROPERTY & EQUIPMENT			
Real Property and Improvements			
Machinery and Equipment			
Furniture, Fixtures and Office Equipment			
Leasehold Improvements			
Vehicles			
Less: Accumulated Depreciation			
TOTAL PROPERTY & EQUIPMENT	-	-	-
OTHER ASSETS			
Amounts due from Insiders*			
Other Assets (<i>attach schedule</i>)	1,092,102.50	1,109,259.78	1,195,046.18
TOTAL OTHER ASSETS	1,092,102.50	1,109,259.78	1,195,046.18
TOTAL ASSETS	14,431,874.90	14,929,055.51	17,535,891.31
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)			
Accounts Payable	171,945.33	201,720.62	
Taxes Payable (<i>refer to FORM MOR-4</i>)			
Wages Payable			
Notes Payable			
Rent / Leases - Building/Equipment			
Secured Debt / Adequate Protection Payments	(752,956.73)	(705,664.77)	
Professional Fees			
Amounts Due to Insiders*			
Other Post-petition Liabilities (<i>attach schedule</i>)			
TOTAL POST-PETITION LIABILITIES	(581,011.40)	(503,944.15)	-
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)			
Secured Debt	10,752,528.04	10,752,528.04	10,868,460.63
Priority Debt			
Unsecured Debt	7,437,014.36	7,437,014.36	7,437,014.36
TOTAL PRE-PETITION LIABILITIES	18,189,542.40	18,189,542.40	18,305,474.99
TOTAL LIABILITIES	17,608,531.00	17,685,598.25	18,305,474.99
OWNERS' EQUITY			
Capital Stock	265.24	265.24	265.24
Additional Paid-In Capital	14,763,508.28	14,763,508.28	14,763,508.28
Partners' Capital Account			
Owner's Equity Account			
Retained Earnings - Pre-Petition			(15,586,923.10)
Retained Earnings - Post-petition	(17,994,855.96)	(17,520,316.26)	
Adjustments to Owner Equity (<i>attach schedule</i>)			
Post-petition Contributions (<i>attach schedule</i>)			
NET OWNERS' EQUITY	(3,231,082.44)	(2,756,542.74)	(823,149.58)
TOTAL LIABILITIES AND OWNERS' EQUITY	14,377,448.56	14,929,055.51	17,482,325.41

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BALANCE SHEET - continuation section

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
Other Current Assets			
Other Assets			
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
Other Post-petition Liabilities			
Adjustments to Owner's Equity			
Post-Petition Contributions			

Restricted Cash: Cash that is restricted for a specific use and not available to fund operations.
Typically, restricted cash is segregated into a separate account, such as an escrow account.

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STATUS OF POST-PETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

Federal	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Withholding	0	10,288.65	10,288.65	01/15/10 & 01/31/10	EFT	-
FICA-Employee	0	5,132.87	5,132.87	01/15/10 & 01/31/10	EFT	-
FICA-Employer	0	5,132.87	5,132.87	01/15/10 & 01/31/10	EFT	-
Unemployment	0	123.64	123.64	01/15/10 & 01/31/10	EFT	-
Income	0					-
Other:	0					-
Total Federal Taxes	0	20,678.03	20,678.03	01/15/10 & 01/31/10	EFT	-
State and Local						
Withholding	0	4,171.36	4,171.36	01/15/10 & 01/31/10	EFT	-
Sales	0					-
Excise	0					-
Unemployment	0	928.03	928.03	01/15/10 & 01/31/10	EFT	-
Real Property	0					-
Personal Property	0					-
Other:	0					-
Total State and Local	0	5,099.39	5,099.39	01/15/10 & 01/31/10	EFT	-
Total Taxes	0	25,777.42	25,777.42			-

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 91	
Accounts Payable						-
Wages Payable						
Taxes Payable						
Rent/Leases-Building						
Rent/Leases-Equipment						
Secured Debt/Adequate Protection Payments						
Professional Fees						
Amounts Due to Insiders						
Other:						
Other:						
Total Post-petition Debts		-	-	-	-	-

Explain how and when the Debtor intends to pay any past due post-petition debts.

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ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation		Amount
Total Accounts Receivable at the beginning of the reporting period		2,379,501.12
Plus: Amounts billed during the period		(269,753.84)
Less: Amounts collected during the period		335,077.26
Total Accounts Receivable at the end of the reporting period		2,444,824.54

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	379,275.07	198,194.52	158,801.50	1,653,559.45	2,389,830.54
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Accounts Receivable	379,275.07	198,194.52	158,801.50	1,653,559.45	2,389,830.54
Less: Bad Debts (Amount considered uncollectible)					
Net Accounts Receivable	379,275.07	198,194.52	158,801.50	1,653,559.45	2,389,830.54

TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					0
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Taxes Payable					
Total Accounts Payable					

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PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
Joern Tittel	Salary	\$ 18,750.00	\$ 112,500.00
TOTAL PAYMENTS TO INSIDERS		\$ 18,750.00	\$ 112,500.00

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
TOTAL PAYMENTS TO PROFESSIONALS					

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
TOTAL PAYMENTS			

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DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?		X
7	Are any post petition receivables (accounts, notes or loans) due from related parties?	X	
8	Are any post petition payroll taxes past due?		X
9	Are any post petition State or Federal income taxes past due?		X
10	Are any post petition real estate taxes past due?		X
11	Are any other post petition taxes past due?		X
12	Have any pre-petition taxes been paid during this reporting period?		X
13	Are any amounts owed to post petition creditors delinquent?		X
14	Are any wage payments past due?		X
15	Have any post petition loans been received by the Debtor from any party?		X
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18	Have the owners or shareholders received any compensation outside of the normal course of business?		X

Comments:

Nothing outside the normal course of business